

Trust Fund's continuing decline could mean higher premium rates January 1, 2003

The balance in Tennessee's Unemployment Insurance Trust Fund on June 30 and December 31 each year determines which Premium Rate Table will be in effect for the subsequent two quarters. As the balance in the Trust Fund declines, higher Premium Rate Tables become effective.

Because of continuing high benefit payout, projections show we will likely move to a higher Premium Rate Table January 1, 2003, to be effective for the first and second quarter 2003 reports.

On January 1, 2002, we moved to the higher Premium Rate Table 4 because of a \$224 million decline in the Trust Fund in 2001. This was the first time employers have experienced a higher Premium Rate Table since 1983. During the first quarter of 2002, the weekly unemployment payout averaged \$14.5 million a week, an all-time high. All projections showed that an even higher Premium Rate Table would take effect on July 1, 2002.

Then in March 2002 something unexpected happened. The federal government made distributions to all State Unemployment Insurance Trust Funds. Tennessee's Trust Fund received \$162.6 million. With the added boost, Tennessee employers got a break and we moved from Premium Rate Table 4 to the lower Premium Rate Table 5 for the six months period beginning July 1, 2002. Currently, however, benefit payments still exceed \$10 million a week and are more than premiums collected, so the Trust Fund is continuing to decline.

We will not know which Premium Rate Table will be in effect on January 1, 2003, until we know the final Trust Fund balance December 31, 2002. If there is a rate increase, the department will mail notifications to all premium-paying employers in late January or early February.

Internet reporting option anticipated for April 2003 reporting period

The Tennessee Premium and Wage Reporting System (TNPAWS) is being developed to allow employers to file their quarterly Premium and Wage Report via the Internet. TNPAWS is currently being tested, and we expect it to be available to all premium-paying employers beginning with the first quarter of 2003 reporting period.

TNPAWS is designed to calculate total, excess, and taxable wages before determining the premium amount due. An additional benefit is that the information on the Wage Report is carried forward from one quarter to the next. After an employer enters the employees' Social Security Numbers, names, and wages the first time, TNPAWS will

display this information the following quarter. The employer will then be able to add and delete employees to prepare the current Wage Report.

TNPAWS operates in a secure environment and encrypts the data before transmitting it to our department. A confirmation number is assigned to each report to notify you that the information has been successfully transmitted. When TNPAWS is used in conjunction with the ACH Credit payment method, the need for mail is eliminated.

Look for additional details in the next *Dateline*

Routing Box

- ☐ Personnel Director
- ☐ Manager
- ☐ Payroll Officer
- ☐ Other

Some helpful reminders

- Be sure to pay all 2002 state unemployment insurance premiums due by January 31, 2003. This will entitle you to take the full credit available on your federal unemployment (FUTA 940) tax return and pay the federal tax at the lowest possible rate. This would also be a good time to double-check your excess/taxable wage calculations for all four quarters of 2002 to make sure that taxable wages as reported on your state reports match the taxable wage figure you are reporting on your FUTA return. If you think that you have overstated taxable wages on any of your quarterly premium reports, you should file a Claim for Adjustment or Refund Form (LB 0459). The form is available on our website at www.state.tn.us/labor-wfd/esdiv.html. If you have understated taxable wages, an amended report can be filed to correct the error. When filing any Premium Report (LB 0456), please be sure to complete Line 1 (Total Wages), Line 2 (Excess Wages) and Line 3 (Net Taxable Wages). Also, Excess Wages can never be greater than Total Wages and, therefore, Net Taxable Wages can never be less than zero. You can contact our Employer Accounting Unit at 615-741-1619 for advice on the proper way to correct any reporting error.

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Reminders (cont.)

- At some point your business will likely undergo some sort of change that you will need to tell us about. For example, you might move and need to inform us of your new address; or, you might change the organizational structure - or maybe just the trade name - of your business. The best way to tell us about changes like these is to write to us (preferably on your company letterhead) at TDLWD Employment Security Division, Employer Services Unit, 500 James Robertson Parkway – 8th floor, Nashville, TN 37245-3555 and tell us “what’s new.”
- The Employment Security Division is just one division of the Tennessee Department of Labor & Workforce Development. Sometimes employers mistakenly send a payment due a particular division of our department to the wrong division. For instance, the payment of a fine issued by our department’s Labor Standards Division might be sent to our Employment Security Division. We encourage you to always double-check the division name and address to which you are sending any payment to our department. We also strongly suggest that you make a notation on your check as to the purpose of your payment and include any account number, case number, or other designation that serves to identify the nature of the payment.

America needs your numbers

This month five million businesses across the country will receive Economic Census forms, including 97,000 in Tennessee, from the U.S. Department of Commerce’s Census Bureau.

Information gathered from the Economic Census is used to gauge competition, calculate market share, assist with site location, evaluate new business opportunities, and design sales territories. Economic policy makers in federal, state, and local governments use Economic

Census data to project trends, plan for development, and assess the impact of changes in the economy.

Among those who have spoken out about the Economic Census is Alan Greenspan, chairman for the Federal Reserve Board of Governors, who said, “The Economic Census is indispensable to understanding America’s economy. It ensures the accuracy of the statistics we rely on for sound economic policy and for successful business planning. Returning your Economic Census form helps us all.”

Completed forms are due at the Census Bureau by February 12, 2003. Businesses that receive a form are required by law (Title 13, U.S. Code) to respond. Businesses will have the option to report electronically, either through the Internet or by computer diskette.

Economic Census forms are sent to all but the smallest businesses in every industry and geographic area of the U.S. Most businesses with five or more paid employees, and a sample of smaller ones, will receive a census form.

Watch for the Economic Census forms and complete them when they arrive.

Is your EAP professional licensed?

Many Tennessee employers are not aware that individuals providing employee assistance services must be licensed, as mandated by the Tennessee General Assembly. Licenses are issued by the Employee Assistance Professionals Licensing Board of the Tennessee Department of Labor & Workforce Development.

Employee Assistance Professionals are those individuals who provide employee assistance program services to employees and their families to help resolve productivity problems stemming from personal concerns, including health-related, marital, family, financial, alcohol, drug, and emotional stress issues. Individuals practicing employee assistance without a license issued by the Employee Assistance Professionals Licensing Board or a Tennessee health-related board are subject to a civil penalty not to exceed \$1,000 per occurrence.

If you have questions about the licensing of your Employee Assistance Professionals or need more information

about the licensing requirement, call (615) 253-5279 or email Carole.Otot@state.tn.us.

Correction

In last quarter’s *Dateline*, we inadvertently printed the wrong toll-free telephone number to call for state unemployment insurance (SUTA) information. The correct number is as follows: 1-800-344-8337. We regret the error and any inconvenience it caused.

TV show redesigned

The “Let’s Go to Work” television program is taking the show on the road. The 30-minute show will now be taped on location. It will also feature news-style, pretaped video stories including interviews with real people who use our departmental services.

Watch for “Let’s Go to Work” in your area. Upcoming topics cover mining and mine safety in Tennessee and how the Tennessee Career Center system is supporting high-demand health care careers.

Numbers

TN unemployment rate (Oct. 2002) 4.5%
TN unemployment rate (Oct. 2001) 4.7%

US unemployment rate (Oct. 2002) 5.7%
US unemployment rate (Oct. 2001) 5.4%

UI trust fund (Oct. 2002 - estimated) \$637.6 million
UI trust fund (Oct. 2001) \$700.8 million

The Tennessee Department of Labor & Workforce Development is an equal opportunity employer. Auxiliary aids and services are available upon request to individuals with disabilities.

El Departamento del Trabajo y Desarrollo de la Fuerza Laboral de Tennessee es un patrono que ofrece igualdad de empleo. Ayudas auxiliares están disponibles para individuos con impedimentos.



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Don Sundquist
Governor

Mark Reineke
Commissioner

Milissa Reiersen
Director of Public Affairs

Martha Deacon
Editor